



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

Olene S. Walker
Governor

Kevin S. Carter
Director

December 9, 2003

D. Wayne Hedberg
Permit Supervisor
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

RECEIVED

DEC 10 2003

DIV OF OIL GAS & MINING

RE: Mineral Lease ML 47496
DOGM Permit #M/049/031
Transfer of Large Mine Permit to Staker and Parsons Companies

Dear Mr. Hedberg:

I received a copy of your letter of December 4, 2003 approving the transfer of DOGM permit #M/049/031 from Valley Asphalt to Staker and Parson Companies. In the letter you advise that mineral lease ML 47496 must now be assigned from Valley Asphalt to Staker and Parson Companies. Please be advised that Valley Asphalt, Inc. is not the Lessee under ML 47496, but was rather the lease Operator designated by the Lessee of record, Clay peck and Cole Peck, 1512 North, 1300 East, Lehi, UT 84043. Valley Asphalt, Inc. subsequently assigned its operating rights to Western Aggregates, Inc. who was later acquired by Staker and Parson Companies. What is perhaps needed is a restatement of designation of lease Operator by Clay Peck and Cole, designating Staker and Parson Companies as the current lease Operator.

The matter is further complicated by the fact that the Trust Lands Administration is the mineral owner only. The surface of the lands is controlled by Two A, LLC, 5005 S. 900 E. Suite 200, Salt Lake City, UT 84117. On August 31, 2001, the effected parties entered a memorandum of amended and restated surface owner's agreement to enable surface access and land use for the mining activity. This surface owner agreement should likewise be amended or updated to recognize Staker and Parson Companies as the new mineral operator.

I will advise Cole Peck and Clay Peck according of the need to submit a new designation of lease Operator and a new surface owner agreement. You may also wish to notify your permittee of any further requirements of DOGM.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Clay Peck & Cole Peck
Two A, LLC
Staker & Parson Companies
Tom Faddies
John Andrews